

Senate Bill No. 1287

CHAPTER 204

An act to amend Sections 53356.03 and 53684 of the Government Code, relating to community facilities.

[Approved by Governor August 2, 1997. Filed with
Secretary of State August 4, 1997.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1287, Calderon. Local government investment.

(1) Under the Mello-Roos Community Facilities Act of 1982, the proceeds of any bond, note, or other security issued under the act are required to be deposited or invested in specified investments.

This bill would instead authorize these funds to be deposited or invested in one or more of the instruments, securities, or obligations that are eligible legal investments of the local agency that created the community facilities district.

(2) Existing law specifies that the treasurer or other official responsible for funds of a local agency that are invested in the county treasury for the purpose of investment by the county treasurer (the so-called "county treasury pool") is authorized to withdraw the funds at any time with 30-days' notice of his or her intent to do so. Existing law also specifies that any local agency that has funds deposited in a county treasury pool and seeks to withdraw funds to deposit or reinvest them elsewhere is first required to submit the request to the county treasurer who evaluates each proposed withdrawal, as specified, and is required to find that the proposed withdrawal will not adversely affect the interests of other depositors in the county treasury pool prior to approving the withdrawal.

This bill would delete the specific authority of a local agency treasurer or other official to withdraw these funds at any time with 30-days' notice and instead specify that the local agency treasurer or official may withdraw the funds of the local agency pursuant to the aforementioned procedure that requires the county treasurer to evaluate each proposed withdrawal and approve the withdrawal if it will not adversely affect the interests of other depositors.

The people of the State of California do enact as follows:

SECTION 1. Section 53356.03 of the Government Code is amended to read:

53356.03. The proceeds of any bond, note, or other security issued pursuant to this chapter, or the proceeds of any bond, note, or other security issued pursuant to any other authority where revenue

collected pursuant to this chapter is pledged or otherwise committed to pay or repay principal, interest, or both, shall be deposited or invested only in one or more of the instruments, securities, or obligations that are eligible legal investments of the local agency.

SEC. 2. Section 53684 of the Government Code is amended to read:

53684. (a) Unless otherwise provided by law, if the treasurer of any local agency, or other official responsible for the funds of the local agency, determines that the local agency has excess funds which are not required for immediate use, the treasurer or other official may, upon the adoption of a resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to this section and with the consent of the county treasurer, deposit the excess funds in the county treasury for the purpose of investment by the county treasurer pursuant to Section 53601 or 53635.

(b) The county treasurer shall, quarterly, apportion any interest or other increment derived from the investment of funds pursuant to this section in an amount proportionate to the average daily balance of the amounts deposited by the local agency and district.

Prior to distributing that interest or increment, the county treasurer may deduct the actual costs incurred by the county in administering this section in proportion to the average daily balance of the amounts deposited by the local agency.

(c) The treasurer or other official responsible for the funds of the local agency may withdraw the funds of the local agency pursuant to the procedure specified in Section 27136.

(d) Any moneys deposited in the county treasury for investment pursuant to this section are not subject to impoundment or seizure by any county official or agency while the funds are so deposited.

(e) This section is not operative in any county until the board of supervisors of the county, by majority vote, adopts a resolution making this section operative in the county.

(f) It is the intent of the Legislature in enacting this section to provide an alternative procedure to Section 51301 for local agencies to deposit money in the county treasury for investment purposes. Nothing in this section shall, therefore, be construed as a limitation on the authority of a county and a city to contract for the county treasurer to perform treasury functions for a city pursuant to Section 51301.

